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Governor

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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

May 1, 2007

Mr. Robert Harris
278 West Main
Delta, Utah 84624

Subject: Deficient Reclamation Contract and Surety, Robert or Iris Harris, S/025/006, Kane County, Utah

Dear Mr. Harris:

On April 23, 2007 the Director of the Division of Oil, Gas and Mining signed the reclamation contract for the Tetla Septarian Mine, file number S/025/006. A copy of the executed reclamation contract/surety is enclosed for your records. This action has made it possible for your existing reclamation surety to be in place with the Division, however you should note that there are deficiencies either in your Notice of Intent (NOI) or in your surety/bond amount that need to be rectified.

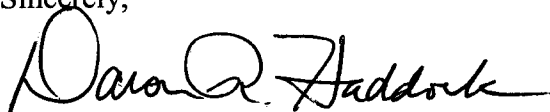
Right now the amount of surety/bond that is currently posted does not correspond with the information in your NOI. Based on the information in the NOI the amount of disturbance associated with this mine is approximately 4 acres and the corresponding surety amount should be \$17,000 using average cost per acre figures (\$5900 for the first acre and \$3700 for each additional acre).

If your Notice of Intent is not specific as to the area planned for disturbance or if you do not plan on having a disturbance of 4 acres, you may wish to amend the notice to more accurately reflect your plans. At such time as we receive and review an amended NOI we will determine an appropriate reclamation cost based on the new information and notify you of any changes needed to your surety/bond. If you choose not to amend your NOI we will expect the above stated amount to be filed with the Division within 30 days.

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May 1, 2007

If you have questions or concerns regarding this letter, please contact me at (801) 538-5325 or Tom Munson at 538-5321. Thank you for your help in completing this very important regulatory requirement.

Sincerely,

A handwritten signature in black ink, appearing to read "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" being more prominent than the last name "Haddock".

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:pb
Enc: small mine reclamation contract
cc: Beth Ericksen, DOGM
Tom Munson, DOGM
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